

AMENDED IN ASSEMBLY JUNE 24, 2004

AMENDED IN SENATE MAY 24, 2004

AMENDED IN SENATE APRIL 12, 2004

AMENDED IN SENATE MARCH 22, 2004

SENATE BILL

No. 1662

Introduced by Senator Soto

February 20, 2004

An act to add ~~Sections 1569.656 and~~ *Section 1569.657* to the Health and Safety Code, relating to residential care facilities for the elderly.

LEGISLATIVE COUNSEL'S DIGEST

SB 1662, as amended, Soto. Residential care facilities for the elderly: rates.

Existing law regulates the licensure and operation of residential care facilities for the elderly, including setting forth the basic services a facility is required to provide. Existing law requires a licensee of a residential care facility for the elderly that increases the rates of fees for residents or makes increases in any of its rate structures for services; to provide no less than 60 days' prior written notice to the resident or the resident's representative, setting forth the amount of the increase, the reason for the increase, and a general description of the additional costs, except for an increase in the rate due to a change in the level of care of the resident. A violation of the provisions relating to the licensure or operation of a residential care facility for the elderly is a crime.

~~This bill would require rate increases assessed to a residential care facility for the elderly's monthly fee, as defined, to occur no more than once every 6 months, and would require the first rate increase to be~~

~~assessed only after a resident has resided at the facility for at least 6 months. The bill would require the facility to give a 60-day written notice of the rate increase to the resident or resident's representative. These provisions would not apply to a facility resident who receives benefits under the State Supplementary Program for Aged, Blind and Disabled.~~

This bill would require the licensee to provide the resident, or the representative, a written notice of a rate increase that is due to a change in the level of care within ~~48 hours~~ 2 business days after the change in the level of care.

This bill would make its provisions inapplicable to a provider who has entered into one or more continuing care contracts at a licensed residential care facility for the elderly pursuant to a certificate of authority, as defined.

Because a violation of this bill's provisions would be a crime under existing law, this bill would impose a state-mandated local program by changing the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 1569.656 is added to the Health and~~
- 2 ~~Safety Code, to read:~~
- 3 ~~1569.656. (a) For the purposes of this section, "monthly~~
- 4 ~~fee" means the flat monthly fee charged to each resident for room,~~
- 5 ~~board, and other services.~~
- 6 ~~(b) Rate increases assessed to the monthly fee may be assessed~~
- 7 ~~by a residential care facility for the elderly no more than once~~
- 8 ~~every six months. The first rate increase may be assessed only after~~
- 9 ~~a resident has resided for at least six months in the facility. The~~
- 10 ~~licensee shall give the resident or the resident's representative, if~~
- 11 ~~any, no less than 60 days' written notice of the rate increase~~

1 ~~pursuant to subdivision (a) of Section 1569.655. The notice may~~
2 ~~be given in the fourth month of the six-month period.~~

3 ~~(e) This section shall not apply to any resident of the facility~~
4 ~~who is a recipient of benefits under the State Supplementary~~
5 ~~Program for Aged, Blind and Disabled (Article 5 (commencing~~
6 ~~with Section 12200) of Chapter 3 of Part 3 of Division 9 of the~~
7 ~~Welfare and Institutions Code).~~

8 ~~(d) This section shall not apply to a provider who has entered~~
9 ~~into one or more continuing care contracts at a licensed residential~~
10 ~~care facility for the elderly pursuant to a certificate of authority, as~~
11 ~~defined in paragraph (5) of subdivision (c) of Section 1771.~~

12 ~~SEC. 2.—~~

13 *SECTION 1.* Section 1569.657 is added to the Health and
14 Safety Code, to read:

15 1569.657. (a) For any rate increase due to a change in the
16 level of care of the resident, the licensee shall provide the resident
17 and the resident's representative, if any, written notice of the rate
18 increase within ~~48 hours~~ *two business days* after initially providing
19 services at the new level of care. The notice shall include a detailed
20 explanation of the additional services to be provided at the new
21 level of care and an accompanying itemization of the charges.

22 (b) This section shall not apply to a provider who has entered
23 into one or more continuing care contracts at a licensed residential
24 care facility for the elderly pursuant to a certificate of authority, as
25 defined in paragraph (5) of subdivision (c) of Section 1771.

26 ~~SEC. 3.—~~

27 *SEC. 2.* No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 the only costs that may be incurred by a local agency or school
30 district will be incurred because this act creates a new crime or
31 infraction, eliminates a crime or infraction, or changes the penalty
32 for a crime or infraction, within the meaning of Section 17556 of
33 the Government Code, or changes the definition of a crime within
34 the meaning of Section 6 of Article XIII B of the California
35 Constitution.